

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (X) HCP () IE () IC

Requestor

Memorial Hermann Hospital System
c/o Sullins Johnston Rohrbach & Magers
2200 Phoenix Tower
3200 Southwest Frwy.
Houston, TX 77027

RECEIVED

JUN 28 2005

Respondent

Clarendon National Insurance Co.
Rep. Box # 47

FLAHIVE, OGDEN & LATSON
ANITA DRAKE

Response Timely Filed? (X) Yes () No

MDR Tracking No.:

M4-05-2359-01

TWCC No.:

Injured Employee's Name:

Date of Injury:

Employer's Name:

Insurance Carrier's No.:

PART II: SUMMARY OF DISPUTE AND FINDINGS

| Dates of Service | | CPT Code(s) or Description | Amount in Dispute | Amount Due |
|------------------|----------|----------------------------|-------------------|-------------|
| From | To | | | |
| 12-12-03 | 12-19-03 | Inpatient Hospitalization | \$41,113.72 | \$35,393.61 |

PART III: REQUESTOR'S POSITION SUMMARY

Should have been paid under the 75% stoploss methodology as total charges exceeded \$40,000.00.

PART IV: RESPONDENT'S POSITION SUMMARY

In the absence of the implant invoices, Provider has been properly reimbursed and is not entitled to additional reimbursement.

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."

The Operative report indicates that claimant underwent laminectomy and decompression L3-S1, posterior spinal fusion and segmental instrumentation using the ISV9 pedicle screw and rod system, L3-S1.

After reviewing the documentation provided by both parties, it **does** appear that this particular admission involved "unusually extensive services." In particular, this admission resulted in a hospital stay of 7 days based upon an infection that developed subsequent to the operation. Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

The hospital billed \$95,378.19 for hospital admission.

In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. In determining the appropriate reimbursement for implantables, it must be noted that the health care provider did not submit invoices to the Commission. While this makes the determination more difficult, it would appear that implantables were clearly used during the surgical intervention and some amount is due to the health care provider. In this case, the requestor billed 47,191.50 for the implantables. The insurance carrier paid \$0.00 for implantables.

The insurance carrier audited bill and reduced \$7,626.79 based upon usual and customary reductions. Requestor did not support position or challenge these reductions. Therefore, \$95,378.19 minus \$7,626.79 = \$87,751.40.

This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$65,813.55.

The insurance carrier audited the bill and paid \$30,419.94 for the inpatient hospitalization. The difference between amount paid and amount due = \$35,393.61.

Based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to a reimbursement amount for these services equal to \$35,393.61.

PART VI: COMMISSION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$35,393.61. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order.

Ordered by:


Authorized Signature

Allen McDonald, Director

Typed Name

June 24, 2005

Date of Order

Decision by:


Authorized Signature

Elizabeth Pickle, RHIA

Typed Name

June 24, 2005

Date of Order

PART VII: YOUR RIGHT TO REQUEST A HEARING

Either party to this medical dispute may disagree with all or part of the Decision and has a right to request a hearing. A request for a hearing must be in writing and it must be received by the TWCC Chief Clerk of Proceedings/Appeals Clerk within 20 (twenty) days of your receipt of this decision (28 Texas Administrative Code § 148.3). This Decision was mailed to the health care provider and placed in the Austin Representatives box on 6-21-05. This Decision is deemed received by you five days after it was mailed and the first working day after the date the Decision was placed in the Austin Representative's box (28 Texas Administrative Code § 102.5(d)). A request for a hearing should be sent to: Chief Clerk of Proceedings/Appeals Clerk, P.O. Box 17787, Austin, Texas, 78744 or faxed to (512) 804-4011. A copy of this Decision should be attached to the request.

The party appealing the Division's Decision shall deliver a copy of their written request for a hearing to the opposing party involved in the dispute.

Si prefiere hablar con una persona in español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

PART VIII: INSURANCE CARRIER DELIVERY CERTIFICATION

I hereby verify that I received a copy of this Decision in the Austin Representative's box.

Signature of Insurance Carrier: _____ Date: _____